

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 346- SB 366

March 12, 2017

SUMMARY OF BILL: Changes, from a minimum of 30 years to a minimum of 25 years, the amount of service provided by a retired Tennessee teacher, for their dependent child under the age of 24 to be eligible to receive a 55 percent tuition discount at any state institution of higher learning.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue -

\$7,800/FY17-18/State University System

\$2,000/FY17-18/Public Community Colleges

\$21,500/FY17-18/University of Tennessee

\$8,000/FY18-19 and Subsequent Years/State University System

\$2,100/FY18-19 and Subsequent Years/Public Community Colleges

\$22,300/FY17-18 and Subsequent Years/University of Tennessee

Assumptions:

- Based on information from the Tennessee Consolidated Retirement System statistical report, and FY16-17 data from the state's higher education tuition discount program, an estimated nine additional students will receive an average tuition waiver of \$864 from public four-year higher education institutions (State University System) in FY17-18; an estimated four additional students will receive an average tuition waiver of \$508 from the public community colleges; and an estimated 19 additional students will receive an average tuition waiver of \$1,132 from the University of Tennessee (UT) in FY17-18.
- The decrease in state revenue to the State University System is estimated to be \$7,776 (9 students x \$864) in FY17-18.
- The decrease in state revenue to the State University System is estimated to be \$2,032 (4 students x \$508) in FY17-18.
- The decrease in state revenue to UT is estimated to be \$21,508 (19 students x \$1,132) in FY17-18.
- Assuming a minimum increase in tuition of three percent per year, the decrease in state revenue to the State University System is estimated to exceed \$8,009 (\$7,776 x 103.0%) in FY18-19 and subsequent years.

- Assuming a minimum increase in tuition of three percent per year, the decrease in state revenue to the State University System is estimated to exceed \$2,093 (\$2,032 x 103.0%) in FY18-19 and subsequent years.
- Assuming a minimum increase in tuition of three percent per year, the decrease in state revenue to UT is estimated to exceed \$22,153 (\$21,508 x 103.0%) in FY18-19 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/rbp